



SHARPE JAMES

MAYOR
NEWARK, NEW JERSEY
07102

September 24, 1986

Mr. Robert O'Brien
Publisher
New Jersey Success
1138 North Broad Street
Hillside, N.J. 07205

Dear Mr. O'Brien,

Thank you for affording me the opportunity to voice my views about the City of Newark and its future in 1987 in your upcoming "Economic Forecast" issue of "**Success**" magazine.

I have enclosed a statement detailing the status of Newark when I took office, July 1, the growth and progress we have experienced in the last three months, and what we foresee in the year ahead.

Included also is a photograph and copy of my biography for your information.

I look forward to reading this special issue of "**Success**", and thank you and your staff for giving me this forum with which to tell your readers about the City of Newark.

Sincerely yours,

Sharpe James
Mayor

Enc.

peg





SHARPE JAMES
MAYOR
NEWARK, NEW JERSEY
07102

PROGRESS AND CHALLENGES AHEAD FOR NEWARK IN 1987

by Sharpe James

The past year, 1986, marked Newark's 150th anniversary as a city and my election as its 37th Mayor.

On taking office July 1, my administration inherited a city with many problems--a poor image, a highly controversial school system, low morale in the police department and the worst public housing in America. We had a city with a proliferation of abandoned property, debris-strewn lots and creeping neighborhood blight.

But, at the same time we inherited a city with a proud and noteworthy past; a city with rich human and natural resources, i.e. a large multi-ethnic and multi-racial population and the best location in the region. With a thriving seaport, the fastest growing airport in the nation, an excellent rail system and highway network and minutes by mass transit from Wall Street and New York City, Newark is also home to the largest banking, investment and insurance companies in the world.

Well aware of our problems, but also eager to take advantage of our many assets, I and the members of my administration have accepted the challenge to make Newark a better city.



I am optimistic about our city's future and can report with certainty that the Newark renaissance we talked about in the mid 1970's and envisioned taking place in the early 1980's is actually a reality as we approach 1990.

There is a building boom ongoing throughout the city, and although its initial impetus might have been spurred by federal dollars, UDAG loans and state financing, much is the result of private investment.

Datsun Investments of New York, which last year had to finance the \$5 million purchase of the historic Firemen's Insurance Fund building on Park Place with its own funds, recently was offered \$10 million to go into a joint venture on the same property.

The firm's interest in Newark is so strong that the company recently bought an adjacent building, the old Military Park Hotel at 12 Park Place for \$250,000, and pledged to invest \$7 million to rehabilitate the structure for commercial and residential use.

In July, the old Central Railroad Station was bought by a developer for \$1.2 million. The abandoned building, which has an eyesore on Broad Street, our main thoroughfare, for over a decade, will be converted into a bi-level \$12 million shopping mall. This/ same developer also has proposed a \$500 million office building and monorail project for downtown Newark.

For many years Newark's location and its many assets were the best kept secret in the metropolitan area, but this is no longer so. City auctions are being attended by developers from all over the Eastern seaboard, intent on buying property in Newark.

With a shortage of available industrial properties, builders are looking creatively at obsolete commercial buildings and converting them into residential condominiums. The old Newark Evening News building on Market Street is being converted into 131 residential condominiums ranging in price from \$60,000 to \$325,000, all of which sold out within 36 hours of being offered for sale.

Since demand far exceeds the availability of suitable space, the city has been working with the Newark Economic Development Authority in encouraging the growth of industrial parks, one of which would be a six-block industrial center for the South Ward.

In August groundbreaking ceremonies were held for the \$15 million Airport Industrial Center on Frelinghuysen Avenue, the first of seven such endeavors undertaken by the state Economic Development Authority to be completed without any further government bonds.

EDA projects are funded through the sale of industrial development bonds. The agency's ability to build an industrial park without government funding indicates the confidence of the banking community in the city's economy.

This support was further evidenced when an underwriting syndicate headed by Chase Manhattan Bank bought \$31 million in municipal bonds from the city at the lowest interest rate since 1978 and did not require credit insurance.

The willingness of financial institutions to lend is a necessary part of this building boom since we can no longer hope for government funds to finance development.

The acquisition of People Express, a major tenant at Newark International Airport, by Texas Air Corporation, will not have a deleterious effect on the airport's growth. Passenger demand for People's flights and other airlines serving Newark continues to grow and support the need for airport expansion. The development of Terminal C will continue as planned and building construction on the periphery of the airport continues at a quick and steady pace.

Establishing a partnership between the public and private sector, between government and business and the community, is the key to Newark's future. However, as downtown Newark grows, we must make sure that the neighborhoods and local commercial strips are developed.

The University Heights project, which incorporates considerable retail space, will expand the downtown business district to Bergen Street and includes the development of 700 units of affordable housing by a major national developer. Commercial and residential projects proposed for the 1,000 acre University Heights tract will exceed \$100 million.

With all the growth and development in the city, we in government, at the same time must face the problem of diminishing federal and state aid. The federal General Revenue Sharing program, which poured \$20 million annually into Newark in the late 1970's and was reduced to \$4.5 million in 1986, will cease to exist in 1987. Currently, we are wrestling with a 1987 budget that reflects reductions in state support to vital areas of municipal government. Truly, we are challenged to do more with less.

In response to state and federal cutbacks, we have recently completed a reorganization of city government designed to improve on the delivery of basic services at a reduced cost to the taxpayers. This undertaking includes the creation of two new departments, the Department of Development and the Department of Land Use. These agencies will offer a centralized and coordinated approach in assisting potential developers, who want to build in Newark.

Newark continues to be affected by a national economy that is becoming less industrial and more service-oriented. The largest university-hospital complex in the state is located in its largest city, which continues to be the center of New Jersey's banking and finance community.

Nevertheless, Newark, whose rise to prosperity was tied to its growth as a major industrial city, must enlist the support of the business and academic community and turn its efforts to training its large unskilled labor force for jobs in a largely service economy. Others with limited training must be taught to adapt to the needs of a more technological society.

A major problem facing our city is the escalating cost of municipal services and the inequitable tax burden borne by one third of our property owners for 100 percent of our properties.

Revaluation, which we have avoided for almost 30 years, is inevitable by 1990, and unless the state of New Jersey which has been studying the property tax situation for several years, comes up with an alternative means of raising revenue for municipal governments, not just Newark, but the entire region will suffer from a property reassessment in Newark.

In this city administration, we have heard the cry from residents, the business community, clergy and academia for a better city, and we have accepted the challenge of doing more with less. City Hall will function as a business. Municipal employees will provide services, not excuses. We have vision for a greater Newark, but we are also realistic in knowing that these changes can only come about through a concerted effort put forth by both the private and public sectors.